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10463
RECORDATION NO. Filed 1425

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10463-A
RECORDATION NO. Filed 1425

JUN 11 1979 - 10 32 AM

INTERSTATE COMMERCE COMMISSION

JUN 11 1979 - 10 30 AM

INTERSTATE COMMERCE COMMISSION

June 8, 1979

HAND DELIVERY

10463-B
RECORDATION NO. Filed 1425

Secretary of the Interstate
Commerce Commission
Room 2227
12th St. & Constitution Ave., N.W.
Washington, D.C.

JUN 11 1979 - 10 30 AM

INTERSTATE COMMERCE COMMISSION

9-162A015
JUN 11 1979
Date

Fee \$ 105.00

ICC Washington, D. C.

Attention: Mildred Lee

Re: Leveraged Lease Covering
175 railroad hopper cars -
American Cyanamid Company
(Lessee), Beneficial Leasing
Group, Inc. (Lessor-Debtor)
and Treasurer of the State
of North Carolina (Lender)

Gentlemen:

With respect to the above-entitled transaction, the undersigned, attorney for the Lender, hereby submits the following documents for recording pursuant to 49 United States Code 11303 and 49 C.F.R. Pt 1116,1.-15:

(i) Two executed and acknowledged originals of the Lease of Railroad Equipment between the Lessee and Lessor-Debtor;

(ii) Two executed and acknowledged originals of the Assignment of Lease and Rentals between the Lessor-Debtor and the Lender;

(iii) Two executed and acknowledged originals of the Loan and Security Agreement between the Lessor-Debtor and the Lender;

(iv) A check in the amount of \$100 made payable to your order to cover the filing fees.

FEE OPERATION BRC
I.C.C.

RECEIVED
JUN 11 10 24 AM '79

Secretary of the Interstate
Commerce Commission
~~June 8~~
May 29, 1979
Page Two

The names and addresses of the principal parties to such transaction are as follows:

1. The Lessee - end user of the railroad hopper cars is American Cyanamid Company located at Berdan Avenue, Wayne, New Jersey 07470.
2. The Lessor-Debtor is Beneficial Leasing Group, Inc., located at 250 Park Avenue, New York, New York 10017.
3. The Lender is the Treasurer of the State of North Carolina, as custodian of various state trust funds, located at 325 North Salisbury Street, Raleigh, North Carolina 27611.

The equipment covered by the documents recorded hereby consists of 175 railroad hopper cars. The manufacturer of 100 of such cars is Trinity Industries, Inc. (Nos. MBFX 4825 through 4924 inclusive), and the manufacturer of the remaining 75 cars is Pullman, Inc. (Nos. MBFX 4750 through 4824 inclusive). These numbers shall appear on the respective cars. Each such car shall also have the following inscription plainly and conspicuously marked thereon:

"Owned and Leased from Beneficial Leasing Group, Inc. and subject to a Security Interest of the Treasurer of the State of North Carolina as Custodian of various state trust funds, Raleigh, North Carolina recorded with I.C.C."

The cars referred to above are being purchased by the Lessor-Debtor with its own equity money and the proceeds of a loan borrowed from the Lender. After the cars are purchased by the Lessor-Debtor, it leases the cars to the Lessee for its own use. The lease and rents due thereunder are assigned to the Lender to serve as security, along with the cars themselves, for the loan made by the Lender to the Lessor-Debtor. The total equipment cost will be \$7,942,025 of which \$5,162,316.25 will be derived from the loan proceeds and the remainder will be equity money.

Included with this letter is a duplicate thereof. Please stamp such duplicate as received with the appropriate time and date thereof, if possible, and return the same to my waiting messenger. Please also return by mail one executed and original of each of the Lease, Assignment and Loan and Security Agreement to the undersigned.

Secretary of the Interstate
Commerce Commission
May 29, 1979
Page Three

If there are any questions on the enclosed documents,
kindly call Kenneth T. Cascone, Esq. at (212) 682-8383 collect
at your earliest convenience.

Thank you for your cooperation.

Very truly yours,


Kenneth T. Cascone

KTC:gmt

encs.

4/11/79

RECORDATION NO. 10463 Filed 1425

LEASE OF RAILROAD EQUIPMENT

JUN 11 1979 10 32 AM

INTERSTATE COMMERCE COMMISSION

THIS LEASE, dated as of April 12, 1979, between BENEFICIAL LEASING GROUP, INC., a Delaware corporation (the "Lessor"), and AMERICAN CYANAMID COMPANY a Maine corporation (the "Lessee").

WHEREAS, the Lessor is acquiring certain railroad equipment, namely hopper cars (the "Equipment") to be described more particularly hereinafter, and is leasing the Equipment to Lessee and Lessor intends to encumber the title to the Equipment in accordance with certain security documents (hereinafter called "Security Documents") for the benefit of the holder or holders of a secured note (hereinafter called the "Holder") and this Lease is intended to be subject to such Security Documents; and

WHEREAS, the Lessee desires to lease all of the units of the Equipment described on Exhibit A attached hereto with each unit representing one hopper car so described and as Exhibit A may be amended from time to time, or such number as are delivered and accepted and settled for under the terms hereof (hereinafter called the "Units") at the rentals and for the terms and upon the conditions hereinafter provided,

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Lessor hereby leases the Units to the Lessee upon the following terms and conditions:

SECTION 1: Net Lease. This Lease is a net lease, and the Lessee shall not be entitled to any abatement of rent, reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Lessor under this Lease or otherwise or against the manufacturers or sellers of the Units; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective rights or obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances

or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity (other than Lessor or Holder or their assigns), the invalidity or unenforceability or lack of due authorization of this Lease by the Lessee, any insolvency of or the bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units, except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final, and the Lessee shall not seek to recover all or any part of such payment from the Lessor for any reason whatsoever.

SECTION 2: Delivery and Acceptance of Units.

The Lessor hereby appoints the Lessee or any person or persons appointed by the Lessee as its agent for inspection and acceptance of the Units pursuant hereto. The Lessor will cause each Unit to be delivered to the Lessee at the point or points at which such Unit is delivered to the Lessor. Upon such delivery, the Lessee will cause an inspector appointed by the Lessee to inspect same, and if such Unit is found to be acceptable, to accept delivery of such Unit on behalf of Lessor and execute and deliver to the Lessor a certificate of acceptance (hereinafter called the "Certificate of Acceptance") in accordance herewith, stating that such Unit has been inspected and accepted on behalf of the Lessor and the Lessee on the date of such Certificate of Acceptance and is marked in accordance with Section 5 hereof, whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease. Such Certificate of Acceptance shall be substantially in the form of Exhibit B attached hereto.

The Lessee's execution and delivery of a Certificate of Acceptance with respect to each Unit of Equipment shall conclusively establish as between the Lessee and the Lessor that such Unit is acceptable to and accepted by the Lessee under this Lease, notwithstanding any defect with respect to design, manufacture, condition or in any other respect, and that such Unit of Equipment is in good order and condition and appears to conform to the specifications applicable thereto and to all applicable United States Department of Transportation and Interstate Commerce Commission requirements and specifications, if any, and to all standards required or recommended by the Association of American Railroads applicable to new railroad equipment qualified for interchange of the character of the Equipment as of the date of this Lease. By execution and delivery of such Certificate of Acceptance, the Lessee represents that it has no knowledge of any such defect.

It is understood that all the Equipment covered by this Lease shall be delivered to Lessee on or before June 30, 1979. Any Unit not delivered on or before June 30, 1979 will not be subject to this Lease.

SECTION 3: Rentals. The Lessee agrees to pay rent to the Lessor for each Unit in accordance with the rental schedule on Exhibit A attached hereto and as follows:

(a) Interim Rental. For each Unit of Equipment, an amount per day (the "Interim Rental") equal to 1/91 of the Periodic Rental set forth in Exhibit A for the period from and including the dates of delivery and acceptance for each Units to the beginning of the first Periodic Rental period.

(b) Periodic Rental. Thereafter, for each Unit of Equipment, 60 consecutive quarter-annual installments of rental, payable in arrears and commencing as indicated in Exhibit A.

The installment of Interim Rental for each Unit of Equipment shall be due and payable on the day of the beginning of the first Periodic Rental period. The first installment of Periodic Rental for each Unit of Equipment shall be due and payable three months thereafter and the balance of the Periodic Rental installments shall be paid in consecutive three month intervals thereafter. If any of the rent payment dates is not a business day, the rent payment otherwise payable on such date shall be payable on the next subsequent business day. For the purposes of this Lease, the term "business day"

means calendar days, excluding Saturdays, Sundays and holidays on which banks in the States of New York or New Jersey are authorized or required to be closed.

The rental payments, including any Interim Rental payments, hereinabove set forth are subject to adjustment pursuant to Section 17 hereof, so as to provide Lessor with the same net return.

Lessor hereby instructs the Lessee to make all the payments provided for in this Lease at the office of the Holder's designee at _____, for the account of Holder. Lessee agrees to make all payments provided for in this Lease to the Lessor accordingly, and such payments shall be made by the Lessee in any manner which will put Holder in federal funds or otherwise immediately available funds on the due date.

Lessor shall have no obligation to purchase Units for leasing hereunder to the extent that the aggregate purchase price of the Units exceeds \$7,942,025.

SECTION 4: Term of Lease. The term of this Lease as to each Unit shall begin on the date of delivery and acceptance of such Unit hereunder and, subject to the provisions of Sections 7, 10 and 13 hereof, shall terminate on the date on which the final payment of rent in respect thereof is due pursuant to Section 3(b) hereof.

SECTION 5: Identification Marks. The Lessee will cause each Unit to be kept numbered with one of the identifying road numbers set forth in Exhibit A hereto, or in the case of any Unit not so listed, such identifying road number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "Owned and Leased from Beneficial Leasing Group, Inc., and subject to a Security Interest of the Treasurer of the State of North Carolina as Custodian of various state trust funds, Raleigh, North Carolina recorded with I.C.C." or other appropriate words designated by the Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Lessor's, and Holder's title to, and property in, such Unit and the rights of the Lessor under this Lease and of the Holder. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such name and words shall have been so marked on both sides thereof and will replace

promptly any such name and words which may be removed, defaced or destroyed. The Lessee will not change the identifying road number of any Unit unless and until a statement of new road number or numbers to be substituted therefor shall have been filed with the Holder and the Lessor and filed, recorded and deposited by the Lessee in all public offices where this Lease and the Security Documents shall have been filed, recorded and deposited pursuant to Section 16 hereof.

Except as provided in the immediately preceding paragraph, the Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership; provided, however, that the Units may be lettered with the names or initials or other insignia customarily used by the Lessee, its affiliates, or sublessees.

SECTION 6: Impositions. All payments to be made by the Lessee hereunder will be free of expense to the Lessor:

(A) for collection or other charges; and

(B) with respect to the amount of:

(i) any local, state, federal or foreign taxes, (including any withholding taxes) other than:

(a) any United States federal or foreign income tax; and

(b) the aggregate of all state or city taxes or franchise taxes measured by net income based on such receipts, or gross receipts taxes based on such receipts (except gross receipts taxes in the nature of sales or use taxes); and

(ii) any license fees, assessments, charges, fines and penalties hereafter levied or imposed upon or in connection with or measured by this Lease or by any sale, rental, use, payment, shipment, delivery, or transfer of title under the terms hereof.

All such expenses, taxes, license fees, assessments, charges, fines and penalties being hereinafter called "Impositions," all of which Impositions the Lessee assumes and agrees to pay on demand in addition to the other payments to be made by it provided for herein. The Lessee will also pay promptly all Impositions which may be imposed upon any Unit or for the use or operation thereof or upon the earnings arising therefrom (except as provided above) or upon the Lessor, or Holder, solely by reason of their respective interests and will keep at all times all and every part of such Unit free and clear of all Impositions which might in any way affect the interests of the Lessor or Holder, or result in a lien upon any such Unit; provided, however, that the Lessee shall be under no obligation to pay any Impositions of any kind (i) to the extent that such Imposition results directly from an act or omission by the Lessor not contemplated hereunder or (ii) so long as Lessee is contesting in good faith and by appropriate legal proceedings such Impositions and the non-payment thereof does not, in the reasonable opinion of the Lessor, adversely affect the title, property or rights of the Lessor or the Holder. If any Impositions shall have been properly charged or levied against the Lessor or Holder, directly and paid by the Lessor or Holder (excluding specifically, any taxes levied on the net income of Lessor or Holder, or any franchise tax in lieu thereof), the Lessee shall reimburse the Lessor or Holder on presentation of any invoice therefor provided further Lessor or Holder gives reasonable notice thereof.

In the event any reports with respect to Impositions are required to be made, the Lessee will either make or cause to be made such reports in such manner as to show the interests of the Lessor, and the Holder, in such Units or notify the Lessor and the Holder of such requirement and make or cause to be made such reports in such manner as shall be reasonably satisfactory to the Lessor, and the Holder; provided, however, that the Lessor, and the Holder, shall provide such information and assistance as shall be appropriate in the circumstances. Lessee shall send or cause to be sent a copy of such report or return to Lessor and Holder, or will notify Lessor and Holder of such requirement and make or cause to be made such report or return in such manner as shall be reasonably satisfactory to Lessor.

In the event that, during the continuance of this Lease, the Lessee becomes liable for the payment or reimbursement of any Imposition, pursuant to this Section 6, such liability shall continue, notwithstanding the expiration of this Lease, until all such Impositions are paid or reimbursed by the Lessee.

SECTION 7: Payment for Casualty Occurrences.

In the event that (a) any Unit shall be or become worn out, lost, stolen, destroyed, or, in the opinion of the Lessor or the Lessee, irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise; (b) title thereto shall be requisitioned or seized by any governmental agency; or (c) title to any Units shall be impaired and Lessee's or Lessor's right of possession lost for a period of 60 days or more as a result of the failure of Lessee to take such steps as may be necessary to protect and preserve the title of Lessor and Holder to the Units in any jurisdiction or with the appropriate governmental agency by recording, registration or otherwise; or (d) all or any substantial part of the Units shall be condemned, seized or otherwise appropriated or custody or control of such property shall be assumed by any person or agency acting or purporting to act under authority of government de jure or de facto or the Lessee shall have been prevented from exercising normal control over all or any substantial part of the Units by any such person or agency (all such occurrences being hereinafter called "Casualty Occurrences") during the term of this Lease, the Lessee shall promptly and fully notify the Lessor and Holder within fifteen (15) days of Lessee's learning of a "Casualty Occurrence". On the rental payment date next succeeding such notice (or, in the event such notice is delivered after the 60th day next preceding the expiration of the term of this lease or any renewal thereof, within 60 days after such occurrence) the Lessee shall pay to the Lessor an amount equal to the rental payment or payments in respect of such Unit due and payable on such date, if any, plus a sum equal to the Casualty Value (as hereinafter defined) of such Unit as of the date of such payment in accordance with Exhibit C (attached hereto). Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft or complete destruction of such Unit) the Lessee shall be entitled to retain (i) possession of such Unit on an "as is" "where is" basis without warranty or representation of any kind or nature whatsoever on the part of the Lessor, including without limitation as to merchantability, fitness, design or title, and (ii) any proceeds derived therefrom.

The Casualty Value of each Unit as of the payment date on which payment is to be made as aforesaid shall be that percentage of the Purchase Price of such Unit as is set forth in Exhibit C attached hereto.

Except as hereinabove in this Section 7 provided, the Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of any Casualty Occurrence to any Unit from and after delivery and acceptance

thereof by the Lessee hereunder.

SECTION 8: Reports. Commencing with the payment due February 1, 1980 and semi-annually thereafter, the Lessee will furnish to the Lessor and Holder an accurate statement (a) setting forth as of the first day of the previous six (6) month period, the amount, description and numbers of all Units then leased hereunder, description and numbers of all Units that have suffered a Casualty Occurrence and such other information regarding the condition and state of repair of the Units as the Lessor or Holder may reasonably request (which statement shall be in addition to the notice of Casualty Occurrence required in Section 7); (b) stating that, in the case of all Units repainted or repaired during the period covered by such statement, the road numbers and the markings required by Section 5 hereof have been preserved or replaced and (c) indicating the location of each Unit leased hereunder. The Lessor shall have the right by its agents, to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Lessor may request during the continuance of this Lease.

SECTION 9: Disclaimer of Warranties; Compliance with Laws and Rules; Maintenance; Indemnification. THE LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS DELIVERED TO THE LESSEE HEREUNDER, AND THE LESSOR MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS FOR ANY PARTICULAR PURPOSE OR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF, OR THE LESSEE'S RIGHT TO QUIET ENJOYMENT THEREOF OR OF ANY OTHER MATTER WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE LESSOR AND THE LESSEE, ARE TO BE BORNE BY THE LESSEE: but the Lessor hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this lease to assert and enforce from time to time, in the name of and for the account of the Lessor and/or the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Lessor may have against the Manufacturer of the Equipment. Any sum collected as a result of such enforcement shall be paid to Lessee to the extent required to correct the defects in the Units and to compensate Lessee for its costs and expenses of recovering said amounts and the balance shall remain the property of Lessor. The Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the foregoing matters.

Notwithstanding anything herein contained to the contrary, however, during the term of this Lease, if no Event of Default has occurred and subject to claims, if any, arising from defects in title to the Units conveyed to the Lessor, Lessee shall peacefully and quietly, hold and enjoy the Units and the Lessee's use of the Units shall not be interrupted by the Lessor or anyone claiming solely through or under the Lessor.

The Lessee agrees to comply with all governmental laws, regulations, requirements and rules (including, without limitation, the rules of the United States Department of Transportation, the Interstate Commerce Commission and the current Interchange Rules or supplements thereto of the Mechanical Division, Association of American Railroads as the same may be in effect from time to time) with respect to the use and maintenance of each Unit of Equipment subject to this Lease; provided, however, that the Lessee shall be under no obligation to so comply so long as it is contesting in good faith and by appropriate legal proceedings such law, regulation, requirement or rule and such failure of compliance does not, in the reasonable opinion of the Lessor and the Holder, adversely affect the interest thereof. In case any equipment or appliance is required to be altered, added, replaced or modified on any Unit of Equipment in order to comply with such laws, regulations, requirements and rules, the Lessee agrees to make such alterations, additions, replacements and/or modifications at its own expense and title thereto shall be immediately vested in the Lessor. In the event the Lessee shall make any alteration, replacement, addition or modification to any Unit of Equipment pursuant to this Section 9 (the "Alterations"), the Lessor will in the taxable year when made include the cost thereof in its gross income for Federal income tax purposes. The Lessee agrees that, within 30 days after the close of any calendar quarter in which the Lessee had made any Alteration, the Lessee will give written notice thereof to the Lessor describing, in reasonable detail, the Alterations and specifying the cost thereof with respect to each Unit of Equipment and the date or dates when made.

The Lessee agrees to indemnify, protect and hold harmless the Lessor and Holder, and any assignee thereof, from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, but not limited to, counsel fees and expenses, patent liabilities, or penalties and interest arising out of or as the result of the entering into or the performance of this Lease, the ownership of any Unit, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage, freight charges or return of any Unit or any accident in connection with the operation, use, condition, possession, storage or return of any Unit resulting in damage to

property or injury or death to any person, except as otherwise provided in Section 14 of this Lease, and except as directly results from Lessor's willfull misconduct or gross negligence. Any claim by the Lessor for Federal income tax indemnification shall be governed by Section 17 of this Lease.

The indemnities provided for by this Section 9 and Lessee's payments under Section 6 shall each be in an amount which, after deducting all taxes and other impositions imposed on Lessor with respect to the receipt of such amount (as the same may be increased pursuant to this sentence) and after taking into consideration all tax and related benefits to which Lessor is entitled as a result of of the loss, liability, cost or expense incurred or suffered by Lessor, shall be equal to the loss, liability, cost or expense incurred or suffered by Lessor and in respect of which such indemnity is payable. The indemnities arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the termination of this Lease.

The Lessee agrees to prepare and deliver to the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor) any and all reports (other than income tax returns) to be filed by the Lessor with any federal, state or other regulatory authority by reason of the ownership, lien or leasehold by the Lessor or Holder, of the Units, or the leasing thereof other than reports required solely by reason of the business of Lessor or Holder, not related to this Lease or its subject matter, provided, however, that the Lessor shall, to the extent appropriate, join in and execute such reports.

SECTION 10: Default. If, during the continuance of this Lease, one or more of the following events (each such event being hereinafter sometimes called an "Event of Default") shall occur:

A. default shall be made in payment of any part of the rental provided in Section 3 hereof or of any other amount owing hereunder when due and such default continues for five days (5) after notice of such default to Lessee;

B. the Lessee shall make or permit any unauthorized assignment or transfer of this Lease or of possession of the Units, or any thereof;

C. default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein or in the Security Documents, and such default shall continue for 15 days after notice to Lessee;

D. any representation or warranty made by the Lessee herein or in any document or certificate furnished to the Lessor in connection herewith or pursuant hereto shall at any time prove to be materially incorrect;

E. any bond, debenture, note or other evidence of indebtedness of Lessee for borrowed money shall become due before its stated maturity by the acceleration of the maturity thereof by reason of default or shall become due by its terms and shall not be promptly paid or extended or any other lease to which the Lessee is a party shall be declared to be in default provided Lessee is not, in good faith, disputing the declaration of a default under such lease;

F. a judgment or judgments for the payment of money in excess of \$1,000,000 shall have been rendered against Lessee and the same shall have remained unsatisfied and in effect, without stay of execution, for any period of 60 consecutive days;

G. the Lessee shall consent to the appointment of a receiver, trustee or liquidator of itself or of a substantial part of its property, or the Lessee shall admit in writing its inability to pay its debts generally as they come due, or shall make a general assignment for the benefit of creditors, or the Lessee shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization in a proceeding under any bankruptcy laws (as now or hereafter in effect) or an answer admitting the material allegations of a petition filed against the Lessee in any such proceeding, or the Lessee shall by voluntary petition, answer or consent, seek relief under the provisions of any other now existing or future bankruptcy or other similar law providing for the reorganization or winding-up of corporations, or providing for an agreement, composition, extension or adjustment with its creditors;

H. an order, judgment or decree shall be entered by any court or governmental agency of competent jurisdiction appointing, without the consent of the Lessee, a receiver, trustee or liquidator of the Lessee or of any substantial part of its property, or any substantial part of the property of the Lessee shall be sequestered, and any such order, judgment or decree of appointment or sequestration shall remain in force undismitted, unstayed or unvacated

for a period of 60 days after the date of entry thereof;

I. a petition against the Lessee in a proceeding under the Federal bankruptcy laws or other insolvency laws (as now or hereafter in effect) shall be filed and shall not be withdrawn or dismissed within 60 days thereafter, or if, under the provisions of any law providing for reorganization or winding-up of corporations which may apply to the Lessee, any court of competent jurisdiction shall assume jurisdiction, custody or control of the Lessee or of any substantial part of its property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unterminated for a period of 60 days;

then, in any such case, the Lessor, at its option, may:

(a) proceed by appropriate court action or actions either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof, including the net losses of Federal and state or local income tax benefits to which the Lessor would otherwise be entitled under this Lease; or

(b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; but the Lessor shall nevertheless, have a right to recover from the Lessee any and all amounts which, under the terms of this Lease, may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, a sum, with respect to each Unit, which represents the excess of (x) the present value of the rentals at the time of such termination to the end of the term of this Lease as to such Unit over (y) the then present value of the rentals which the Lessor reasonably estimates to be obtainable for the Unit during such period (or in the event the Lessee disagrees with Lessor's estimate, based on an estimate rendered by a qualified appraiser selected by the parties) such present value to be computed in each case on a basis of a rate of 9.7% per annum, compounded quarter-annually, from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, (ii) any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Lessor shall have sustained by reason of the

breach of any covenant, representation or warranty of this Lease other than for the payment of rental, and (iii) an amount which, after deduction of all taxes required to be paid by the Lessor in respect of the receipt thereof under the laws of the United States of America or any political subdivision thereof shall, in the reasonable opinion of the Lessor, cause the Lessor's net return under this Lease to be equal to the net return that would have been available to the Lessor if it had been entitled to utilization of all or such portion of the Investment Credit (as defined in Section 17 hereof) lost, not claimed, not available for claim, disallowed or recaptured by or from the Lessor as a result of the breach of one or more of the representations, warranties and covenants made by the Lessee in this Lease or the sale or other disposition of the Lessor's interest in such Unit after the occurrence of an Event of Default, to the extent the Lessor shall not have previously been indemnified therefor by the Lessee pursuant to Section 17 hereof.

The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. However, no remedy or combination of remedies hereunder shall increase Lessee's obligations under the Lease beyond the aggregate of (a) the amounts which would have been payable had the Lease been performed; (b) the tax indemnities specified herein; (c) damages, expenses and obligations resulting from such default; and (d) interest as provided herein. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder, and agrees to make rental payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

The failure of the Lessor to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

In the event of any default of the type specified in subsection D which does not constitute an Event of Default by reason of the fact it is not material, Lessee's obligations hereunder shall not be diminished and Lessor may seek remedies in law or in equity.

SECTION 11: Return of Units Upon Default. If this Lease shall terminate pursuant to Section 10 hereof, the Lessee shall forthwith deliver possession of the Units to the Lessor. For the purposes of delivering possession of any Unit or Units to the Lessor as above required, the Lessee shall, at its own cost, expense and risk:

(a) forthwith cause such Units to be transported to the storage tracks nearest to Lessor now used by Lessee or such other storage tracks in the United States of America as the Lessor and Lessee may agree.

(b) store the Units at such place or places so designated by Lessor at the risk and expense of the Lessee for a period not exceeding three (3) months and transport the same at any time within such 90-day period to any reasonable place on any railroad lines operated or used by the Lessee or to any connecting carrier for shipment, all as directed by the Lessor upon not less than 30 days' written notice to the Lessee.

The assembling, delivery, storage and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease. During any such period of movement and storage the Lessee will continue to maintain the insurance coverage required pursuant to Section 19 hereof. Upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee to assemble, deliver, store and transport the Units. During any storage period, the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Unit, to inspect the same.

Each Unit of Equipment returned to the Lessor pursuant to this Section 11 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, (ii) have attached or affixed thereto any part, addition or improvement title to which is vested in the Lessor pursuant hereto and have removed therefrom, at the expense of the Lessee, any readily removable addition or improvement so designated by the Lessor, and (iii) meet the applicable standards then in effect for such Unit of Equipment under all governmental laws, regulations, requirements and rules (including, without limitation, rules of the United States Department of Transportation, the Interstate Commerce Commission and interchange rules or supplements thereto of the Association of American Railroads).

Until the earlier of (i) the date on which a Unit of Equipment is assembled, delivered and stored as hereinabove provided or (ii) the 30th day after the date of the termination of this Lease, the Lessee shall pay the Lessor an amount per day equal to .036801% of the purchase price of each such Unit. If any such Unit of Equipment is not assembled, delivered and stored as hereinabove provided within 30 days after the termination of this Lease, the Lessee shall, in addition, pay the Lessor an amount per day equal to .049068% of the purchase price of such Unit from said 30th day to the date of its assembly, delivery or storage as hereinabove provided.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 11, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Lessor, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be in possession of such Unit at the time.

SECTION 12: Assignment; Possession and Use.

This Lease, and the rentals and other payments hereunder shall be assignable in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. All the rights of the Lessor hereunder (including, but not limited to, the rights under Sections 6, 7, 10 and 17 and the rights to receive the rentals payable under this Lease) shall inure to the benefit of the Lessor's assigns (including the partners or any beneficiary of any such assignee if such assignee is a partnership or a trust, respectively). The Lessee may not assign this Lease or its obligations hereunder or sublease the Units without the written consent of the Lessor and Holder. With respect to subleasing any Units, such written consent shall not be unreasonably withheld.

The Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, charge, security interest or other encumbrance (other than an encumbrance created by the Lessor or Holder, or resulting from claims against the Lessor or Holder, not related to the ownership of the Units and contemplated hereunder) upon or with respect to any Unit, including any accession thereto, or the interest of the Lessor or Holder, therein, and will promptly discharge any such lien, claim, security interest or encumbrance which arises. The Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass

out of its possession or control, any of the Units, except to the extent permitted by the provisions of the immediately succeeding paragraph.

So long as the Lessee shall not be in default under this Lease, the Lessee and any of its affiliates shall be entitled to the possession and use of the Units in accordance with the terms hereof. Lessee will be entitled to any mileage credits or demurrage charges earned by the Units and Lessor will promptly pay over to Lessee any amounts received by Lessor on account of mileage credits or demurrage earned by the Units. Any assignment, transfer or sublease of the Lease or Units, as the case may be, by the Lessee which is permitted by the Lessor hereunder, will be subject to the terms and conditions of this Lease and the Security Documents and all rights of the Lessor and the Holder thereunder.

The Lessor shall have the right to declare the Lease provided for herein terminated in case of any unauthorized assignment or transfer of the Lessee's rights hereunder or in case of any unauthorized transfer or sublease of any of the Units.

Lessee will not cause or permit the Units to be used in any manner contrary to law, and will not engage in any unlawful trade or violate any law or carry any cargo that will expose the Units to penalty, forfeiture or capture. Lessee will not use any Unit outside the continental United States for more than thirty (30) days during any calendar year. The Lessee shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. The Lessee shall, at its own cost and expense, maintain and keep the Equipment in good order, condition and repair, ordinary wear and tear excepted, qualified for use in interchange. Except as otherwise required by Section 9 of this Lease, the Lessee shall not modify any Unit of Equipment without the prior written authority and approval of the Lessor and any assignee thereof. Any parts installed or replacements made by the Lessee upon any Unit of Equipment or pursuant to its obligation to maintain and keep the Equipment in good order, condition and repair under Section 9 hereof shall be considered accessions to such Unit of Equipment and title thereto shall be immediately vested in the Lessor without cost or expense to the Lessor. The Lessee shall make no other additions or improvements to any Unit of Equipment unless the same are readily removable without causing material damage to such Unit of Equipment. Title to any such readily removable additions or improvements shall remain with the Lessee. If the Lessee shall at its cost cause such readily removable additions or improvements to be made to any Unit of Equipment, the Lessee agrees that it will, prior to the return of such Unit of Equipment to the Lessor hereunder, remove the same at its own expense without causing material damage to such Unit of Equipment.

SECTION 13: Purchase and Renewal Option.

Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Lessor not less than three months prior to the end of the original term or any extended term of this Lease, as the case may be, elect (i) to extend the term of this Lease in respect of all of such Units then covered by this Lease for an additional two-year period commencing on the scheduled expiration of the original term or the extended term of this Lease, as the case may be, or (ii) to purchase all of such Units then covered by this Lease. In the event that the term of this Lease is extended pursuant to the preceding sentence the Lessee shall pay rentals ~~in~~ quarterly annually in arrears at the "Fair Market Rental" and the lease term thereof shall commence immediately upon the termination of the original term or preceding extended term. In the event that the Lessee elects to purchase all of such Units then covered by this Lease, then at the time of such election, the Lessee shall pay to the Lessor the then "Fair Market Value" of such Units. JPA
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Fair Market Rental shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease and, in such determination, costs of removal from the location of current use shall not be a deduction from such value. Fair Market Value shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's length transaction between an informed and willing purchaser (other than a purchaser currently in possession) under no compulsion to purchase and an informed and willing seller under no compulsion to sell and in such determination, costs of removal from the location of current use shall not be a deduction from such value. If on or before two months prior to the expiration of the term of this Lease, the Lessor and the Lessee are unable to agree upon a determination of the Fair Market Rental or the Fair Market Value, as the case may be, of the relevant Units, such value shall be determined in accordance with the foregoing definitions by a qualified independent Appraiser. The term "Appraiser" shall mean such independent appraiser as the Lessor may select with the approval of the Lessee, or failing such approved selection, a panel of three independent appraisers, one of whom shall be selected by the Lessor, the second by the Lessee and the third designated by the first two so selected. The Appraiser shall be instructed to make such determination within a period of 30 days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee. The determination so made shall be conclusively binding upon both the Lessor and the Lessee. The expenses and fees of the Appraiser shall be borne by the Lessee.

SECTION 14: Return of Units Upon Expiration
of Term. As soon as practicable on or after the expiration of the original or extended term of of this Lease with respect to any Unit, the Lessee will, at its own cost and expense, at the request of the Lessor:

(a) deliver possession of such Unit to the nearest storage tracks designated by Lessor, or at the request of the Lessee and upon the express consent of the Lessor, deliver substituted Units (i) having a fair market value at the time of such substitution which is not less than the fair market value of the Unit or Units replaced thereby; (ii) sufficiently similar to such Unit or Units so as to be of "like kind" within the meaning of Section 1031 of the Internal Revenue Code of 1954, as amended; (iii) having an "Asset Guideline Period" (as defined in proposed Treasury Regulations, Section 1.167(a) (ii)) equal to the Asset Guideline Period of such Unit or Units; and (iv) the title to such Units having been conveyed to the Lessor free from all liens and encumbrances whatsoever.

(b) store the Units at such place or places designated by Lessor at the expense of the Lessee for a period not exceeding three months.

During any such storage period, the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of such Unit, to inspect the same. Lessee shall pay all costs and expenses in connection with or incidental to the return of the Units, including without limitation, the costs of dismantling, assembling, and transporting Units. At the time of return of Units, the Units will be in the condition and repair required to be maintained by Sections 11 and 12 hereof and free and clear of all liens and encumbrances whatsoever. Lessee shall pay for any repairs necessary to restore the Units to the condition and repair specified immediately above. The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease. Upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. If the Lessor shall elect to abandon any Unit which has suffered a Casualty Occurrence it may deliver written notice to such effect to the Lessee and the Lessee shall thereupon assume and hold the Lessor harmless from all liability arising in respect of any responsibility of ownership thereof, from and after receipt of such notice. The Lessor shall execute and deliver to the Lessee a bill of sale or bills of sale transferring

to the Lessee, or upon its order, the Lessor's title to and property in any Unit abandoned by it pursuant to Casualty Occurrence. Except as otherwise stated in this Section 14, the Lessee shall have no liability to the Lessor in respect of any Unit abandoned by the Lessor after termination of the Lease; provided, however, that the foregoing clause shall not in any way relieve the Lessee of its obligations pursuant to Section 7 hereof to make payments equal to the Casualty Value of any Unit experiencing a Casualty Occurrence while this Lease is in effect.

Until the earlier of (i) the date on which a Unit of Equipment is assembled, delivered and stored as hereinabove provided or (ii) the 30th day after the date of the expiration of this Lease, the Lessee shall pay the Lessor an amount per day equal to .036801% of the purchase price of each such Unit. If any such Unit of Equipment is not assembled, delivered and stored as hereinabove provided within 30 days after the expiration of this Lease, the Lessee shall, in addition, pay the Lessor an amount per day equal to .049068% of the purchase price of such Unit from said 30th day to the date of its assembly, delivery or storage as hereinabove provided until such date of assembly, delivery and storage.

SECTION 15: Representations of Lessee and Opinion of Counsel. Lessee hereby represents and warrants and will, with respect to items "1 through 8", on the Closing Date, deliver to the Lessor two counterparts of the written opinion of counsel for the Lessee, addressed to the Lessor and Holder, in scope and substance satisfactory to the Lessor and Holder, and their respective counsel, to the effect that:

1. The Lessee is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Maine and is duly qualified and in good standing to do business as a foreign corporation in all other jurisdictions where its properties or activities make such qualification necessary.

2. Under the laws of the State of Maine and the Lessee's Composite Certificate of Organization, the Lessee has full corporate power, authority and legal right to carry on its business as now conducted. Lessee is duly authorized and empowered to execute and deliver the Lease and all such other documents as it has executed and delivered in connection with this transaction.

3. Lessee requires no approval from any governmental authority with respect to the entering into or performance of the Lease or other documents contemplated in this transaction, or if any such approval is required, it has been obtained and copies thereof have been furnished the Holder.

4. The Lease has been duly authorized, executed and delivered by Lessee and as such constitutes the valid, legal and binding agreement of Lessee, enforceable in accordance with its terms, except as provided by laws affecting creditors' rights generally and to the extent that general equitable principles may limit the right to obtain the remedies of specific performance of obligations thereunder or of injunctive relief.

5. The entering into and performance by Lessee of the Lease will not violate any judgment, order, law or regulation applicable to Lessee nor constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Units, pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Lessee is a party or by which it may be bound.

6. There are no actions, suits or proceedings (whether or not purportedly on behalf of Lessee), pending or threatened against or affecting Lessee or any of its property rights, at law or in equity, or before any regulatory commission or other administrative agency, which would, if adversely determined, materially affect the condition, financial or otherwise, of Lessee, as the case may be, and Lessee is not in default with respect to any order or decree of any court or governmental commission, agency or instrumentality where the consequences of such default would materially affect the condition, financial or otherwise, of Lessee.

7. No existing mortgage, deed of trust, or other lien or security interest of any nature whatsoever, which by its terms now covers or affects, or which may hereafter cover or affect, any property or interest of Lessee in the Units, now attaches or hereafter by its terms will be attached to the Units or in any manner affect or will affect adversely the right, title and interest of Lessor or Holder therein.

8. The Certificates of Acceptance, when executed and delivered by Lessee, will constitute legal, valid and binding obligations of the Lessee enforceable in accordance with their terms.

9. The balance sheet of the Lessee as at December 31, 1978 and the statement of operations, retained earnings and changes in financial position of the Lessee for the twelve months ending on that date, with an opinion thereof of Peat Marwick Mitchell & Co., heretofore furnished to the Holder, are complete and correct and fairly present the financial condition of the Lessee as at the date of such balance sheet and the results of its operations for the period ended on said date. The Lessee did not have on December 31, 1978 any contingent liabilities, liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments which are material in amount in relation to the financial condition of the Lessee, except as referred to or reflected or provided for in said balance sheet as at said date. Since December 31, 1978, there has been no material adverse change in the financial condition of the Lessee from that shown by said balance sheet as at that date.

SECTION 16: Recording. The Lessee or its designee will, at its expense, cause this Lease and the necessary Security Documents to be duly filed, registered, recorded or deposited with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act and in such other places within or without the United States as the Lessor or the Holder may reasonably request and will furnish the Lessor and the Holder with proof thereof. The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Lessor or the Holder, for the purpose of protecting the Lessor's title to, or the Holder's security interest in, or the Lessor's leasehold estate in, any Unit of Equipment to the satisfaction of the Lessor's or the Holder's counsel or for the purpose of carrying out the intention of this Lease, and in connection with any such action, will deliver to the Lessor and the Holder proof of such filings and an opinion of the Lessee's counsel that such action has been properly taken. The Lessee will pay all costs, charges and expenses incident to any such filing, refiling, recording and rerecording or depositing and re-depositing of any such instruments or incident to the taking of such action and shall provide an opinion of counsel as to the proper recordation or filing of such instrument pursuant to the Security Documents.

SECTION 17: Federal Income Taxes.

A. The Lessor states that it is its understanding that the Lessor referred to above shall be entitled to such deductions, credits and other benefits as are provided by the

Internal Revenue Code of 1954, as amended, to the date hereof (hereinafter called the "Code") to an owner of property, including, without limitation, (i) the maximum depreciation deduction with respect to the Units authorized under Section 167 of the Code utilizing a depreciation of seven years for the Units prescribed in accordance with Section 167(m) of the Code, employing the double-declining balance method of depreciation when most beneficial to the Lessor, utilizing the modified half-year convention as provided in regulation 1.167(a) - 11(c)(2)(iii) (such deduction being herein called the "Depreciation Deduction"); (ii) the 10% investment credit (herein called the "Investment Credit") with respect to the purchase price of the Units pursuant to Section 38 and related sections of the Code; and (iii) the deductions under Section 163 of the Code in the full amount of any interest paid or accrued by the Lessor in accordance with the Lessor's method of accounting for tax purposes with respect to the Security Documents (herein called the "Interest Deduction").

B. The Lessee agrees that neither it nor any corporation controlled by it, in control of it, or under common control with it, directly or indirectly will at any time take any action or file any returns or other documents inconsistent with the foregoing and that each of such corporations will file such returns, take such actions and execute such documents as may be reasonable and necessary to facilitate accomplishment of the intent hereof, provided, however, that in the event Lessee is in default under this Paragraph B, the rights of the Lessor shall be limited to those rights set forth in this Section 17, including without limitation those set forth in Paragraph D.

C. Notwithstanding anything to the contrary contained in Section 12 hereof, the Lessee represents and warrants that (i) all the Units constitute property, the full Purchase Price of which qualifies for the Investment Credit under Sections 38 and 46 et. seq. of the Code; (ii) at the time the Lessor becomes the owner of the Units, the Units will constitute "new Section 38 property" within the meaning of Section 48(b) of the Code and at the time the Lessor becomes the owner of the Units, the Units will not have been used by any person so as to preclude "the original use of such property" within the meaning of Sections 48(b) and 167(c)(2) of the Code from commencing with the Lessor; (iii) at all times during the term of this Lease, each Unit will be used so as to constitute "section 38 property" within the meaning of Section 48(a) of the Code; (iv) the Lessee will maintain sufficient records to verify such use; and (v) upon request of the Lessor, the Lessee will provide written reports establishing such use.

D. If, for any reason (other than for the reasons set forth below), the Lessor shall not have the right to claim, and does not claim all or any portion of the Investment Credit, the Depreciation Deduction or the Interest Deduction with respect to all or part of any Unit, or Lessor shall suffer a disallowance of or shall be required to recapture, all or any portion of the Investment Credit, the Depreciation Deduction or the Interest Deduction with respect to all or part of any Unit, then the rentals for the Units set forth in Section 3 hereof shall, on the next succeeding rental payment date after written notice to the Lessee by the Lessor of such fact, be increased to such amount or amounts as shall, in the reasonable opinion of the Lessor, cause the Lessor's net return to equal the net return that would have been realized by the Lessor if the Lessor had been entitled to utilize all the Investment Credit, the Depreciation Deduction and the Interest Deduction and the Lessee shall forthwith pay to the Lessor as additional rental the amount of any interest and/or penalties, including any which may be assessed by the United States of America, against the Lessor attributable to the loss of all or such portion of the Investment Credit, Depreciation Deduction, or the Interest Deduction, provided, however, that such rental rate shall not be so increased if the Lessor shall not have the right to claim, or shall have suffered a disallowance of, or shall have been required to recapture all or any portion of the Investment Credit, the Depreciation Deduction or the Interest Deduction with respect to all or part of such Unit as a direct result of the occurrence of any of the following events:

(i) any amendments to the Code, IRS regulations and tax rules enacted or promulgated and effective after the date hereof;

(ii) a Casualty Occurrence with respect to such Unit, if the Lessee shall have paid to the Lessor the amounts stipulated under Section 7 hereof;

(iii) a transfer or other disposition by the Lessor of any interest in such Unit unless, in each case, an Event of Default shall have occurred and be continuing;

(iv) the failure of the Lessor to claim in a timely manner the Investment Credit or Interest Deduction, or elect in a timely manner, the Depreciation Deduction;

(v) the failure of the Lessor to have sufficient liability for federal income tax against which to credit such Investment Credit or sufficient income to benefit from the Depreciation Deduction and/or Interest Deduction.

E. Such rental rate increase running in favor of the Lessor as stated immediately above shall only occur under the prescribed conditions referred to herein in the event that Lessor's failure to have rights to claim said tax credit or deductions with respect to all or any part of any Unit or Lessor's disallowance or recapture of all or a portion of said tax credit or deductions with respect to all or any part of any Unit is caused by (i) Lessee's acts or failure to act as it is so obligated to by this Section 17 hereof or (ii) inaccuracies or errors in Lessee's representations and warranties as set forth in this Section 17 hereof, including the representation that each Unit will be used outside the continental United States no more than thirty days in an calendar year.

F. If the rentals have been increased pursuant to this Section 17 and if the Lessor's right to claim all or any part of the full Investment Credit, Depreciation Deduction or Interest Deduction with respect to a Unit which was not claimed, or was disallowed or recaptured, shall be established by the final judgment or decree of the court or administrative agency having jurisdiction thereof, or if the Lessor shall release, waive, compromise or settle any claim with respect to the Investment Credit, Depreciation Deduction or Interest Deduction without the written consent of the Lessee, provided Lessee shall have reimbursed Lessor for all costs, including the fees of accountants and attorneys mutually and reasonably acceptable to Lessor and Lessee, then on the next succeeding rental payment date thereafter, or after such judgment or decree shall have become final, as the case may be, the rental rate in respect of such Unit set forth in Section 3 of this Lease shall again become applicable to such Unit and the Lessor shall forthwith, upon demand of the Lessee, reimburse Lessee in an amount equal to the excess, if any, of (i) the sum of (A) the difference between the increased rental paid by the Lessee with respect to the Equipment pursuant to the fourth paragraph of this Section 17 and the rental rate applicable to such Unit pursuant to Section 3 of this Lease and (B) any interest and/or penalties paid by the Lessee to the Lessor pursuant to Paragraph D of this Section 17 over (ii) the difference between (A) the amount equal to interest charged to the Lessor on the amount of any federal income tax paid by the Lessor on account of the disallowance or inability to claim the Investment Credit, Depreciation Deduction or Interest Deduction on such Unit and (B) the amount of any interest to which the Lessor would be entitled in connection with the refund of any tax paid on account of such disallowance or inability to claim; provided, however, that if the amount calculated

in accordance with clause (ii) exceeds the amount calculated in accordance with clause (i), the Lessee shall pay such excess to the Lessor promptly on demand.

G. The Lessee's and the Lessor's agreement to pay any sums which may become payable pursuant to this Section 17 shall survive the expiration or other termination of this Lease.

SECTION 18: Holder. Lessor may from time to time subject the Equipment to a Lien (previously described as the "Security Documents"). The creation of a lien under any Security Documents shall not require Lessee's consent or relieve Lessee of its obligations hereunder.

Lessee's rights hereunder are expressly subject to the Security Documents and neither the Lessee, any sub-lessee, nor any other person has or shall have any right, power or authority to create, incur or permit to be placed or imposed or continued upon the Units any liens whatsoever other than the lien of the Security Documents, this Lease and any liens permitted thereunder provided, however, that the Holder of any security interest in the Units shall agree to recognize the Lease of the Lessee in the event of foreclosure if Lessee is not in default thereunder. Except for the lien of the Security Documents and the Lease and liens, charges and encumbrances permitted therein, the Lessee will not suffer to be continued any lien, charge or encumbrance on any Units and in due course, and in any event when due and payable, will pay or cause to be discharged or make adequate provision for the satisfaction or discharge of all claims or demands, or will cause such Units to be released or discharged from any lien, charge or encumbrance therefor. If any Units are attached, levied upon or taken into custody by virtue of any legal proceeding in any court, the Lessee will promptly notify Lessor thereof by telegram, or other prompt means of communication, confirmed by letter, addressed to Lessor and within twenty (20) days will cause such Units to be released and all liens thereon other than this Lease and the Security Documents shall be discharged; the Lessor will promptly notify the Lessee thereof; and the Units shall be deemed and treated as if they had suffered a Casualty Occurrence as provided in Section 7.

SECTION 19: Insurance. The Lessee shall cause to be carried and maintained for the benefit of the Lessor and any assignee pursuant to Section 12 hereof policies of insurance satisfactory to the Lessor and its assignees on each Unit subject to this Lease insuring the Lessor and any assignee pursuant to Section 12 hereof and the Holder as their interests may appear at the time of any loss against loss or damage

resulting from risks comparable to those risks insured against by the Lessee on other units owned or leased by the Lessee, in an amount at least equal to the Casualty Value from time to time of such Units. The Lessee will pay the premiums of such insurance. If the Lessee shall fail to maintain such insurance, the Lessor or any assignee pursuant to Section 12 hereof or any Secured Party under the Security Documents may (but shall be under no obligation to do so) cause the Units to be insured in such amounts as the Lessor or such assignee shall deem advisable for its protection and may demand and recover from the Lessee the premiums on such insurance plus any expense incurred by the Lessor or such assignee in order to pay such premiums.

All policies of insurance maintained pursuant to this section shall provide that 30 days' prior written notice of cancellation shall be given to the Lessor and Holder, that such insurance as to the interest of the Lessor or the Holder therein shall not be invalidated by any act or neglect of the Lessor or the Lessee or by any foreclosure or other remedial proceedings or notices thereof relating to the Equipment or any interest therein nor by any change in the title or ownership of the Equipment or any interest therein or with respect thereto or by the use or operation of the Equipment for purposes more hazardous than is permitted by such policy and that the Lessor and Holder shall not be held liable for insurance premium payments or deductible loss amounts under such policies. The Lessee shall further furnish the Lessor and the Holder with certificates or other satisfactory evidence of maintenance of the insurance required hereunder and with respect to any renewal policy or policies shall furnish certificates evidencing such renewal prior to the expiration date of the original policy or policies.

In the event that Lessee fails to pay premiums on such insurance policy or such policy is or will be cancelled for any reason, so as to create a void in coverage of the Units, Lessor has the right to pay such premiums and substitute itself for Lessee regarding such policy. In that event, Lessee is accordingly obligated to pay Lessor for the cost of such insurance coverage.

SECTION 20. Conditions Precedent to Lessor's Obligations. Lessor's obligations under the Lease are expressly contingent upon receiving, prior to acceptance of the Units, the following:

(a) the opinion of Lessee's counsel provided for herein;

(b) written evidence of insurance coverage pursuant to Section 19 hereof;

(c) written evidence of all governmental or regulatory approvals, licenses, and authorizations which may be necessary or deemed advisable in the reasonable opinion of the Lessor;

(d) opinion reasonably satisfactory to the Lessor of an independent appraiser satisfactory to the Lessor as to the useful life and residual value of the Equipment; and

(e) written information regarding the use of the Equipment and complete specifications of the Units.

SECTION 21: Interest on Overdue Rentals. Any-
thing to the contrary herein contained notwithstanding, any
nonpayment of rentals and other obligations due hereunder shall
result in the obligation on the part of the Lessee promptly to
pay, to the extent legally enforceable, interest at a rate per
annum equal to 12 % on the overdue rentals and other obliga-
tions for the period of time during which they are overdue or
such lesser rate of interest as may be legally enforceable.

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SECTION 22: Notices. Any notice required or
permitted to be given by either party hereto to the other
shall be deemed to have been given when deposited in the
United States certified mails, first-class postage prepaid,
addressed as follows:

If to the Lessor: Beneficial Leasing Group, Inc.
250 Park Avenue
New York, New York 10017
Attn: Paul Finfer

If to the Lessee: Secretary, American Cyanamid Company
Wayne, New Jersey 07470

cc: General Transportation Manager
American Cyanamid Company
Wayne, New Jersey 07470

SECTION 23: Severability; Effect and Modifica-
tion of Lease. Any provision of this Lease which is prohibited
or unenforceable in any jurisdiction, shall be, as to such juris-
diction, ineffective to the extent of such prohibition or unen-
forceability without invalidating the remaining provisions
hereof, and any such prohibition or unenforceability in any
jurisdiction shall not invalidate or render unenforceable such
provision in any other jurisdiction.

This Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Lessor and of the Lessee.

SECTION 24: Execution. This Lease may be executed in counterparts, such counterparts together constituting but one and the same instrument, but the counterpart delivered to the Lessor shall be deemed to be the original counterpart. Although this Lease is dated as of the date first set forth above, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgements hereto annexed.

SECTION 25: Jurisdiction and Law Governing. This Lease shall be considered as having been executed in the State of New York, U.S.A. irrespective of its actual place of delivery and shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, U.S.A. including all matters of construction, validity and performance. Lessor and Lessee hereby expressly submit to the jurisdiction and venue of the courts of the United States of America sitting in the Southern District of New York and of the courts of the State of New York sitting in New York County with respect to any action arising out of or relating to this Lease. Final judgment against either party in such suit following all appeals, if any, shall be conclusive and may be enforced in other jurisdictions by suit on the judgment, a certified or true copy of which shall be conclusive evidence of the fact and of the amount of any indebtedness of the party therein described; provided always that the Lessor may at its option bring suit, or institute other judicial proceedings, against Lessee or any of its assets in the courts of the United States sitting in, or State Courts of, any state of the United States or the Courts of any other jurisdiction where such assets may be found. The Lessee hereby irrevocably waives any immunity from jurisdiction or venue to which it might otherwise be entitled in any action arising out of or relating to the Lease which may be instituted in any such court in or out of the United States of America, and any immunity from the execution or enforcement, in any court of general jurisdiction, in or out of the United States of America, or any judgment obtained in such action.

SECTION 26: Agreement for Lease Only. The Lessor and the Lessee agree that this Lease is, and is intended to be, a true Lease (and not a Lease intended as security or a lease in the nature of a security interest), that as between Lessor and Lessee, Lessor is the owner of the Units for all purposes and

that Lessee has no rights to the Units whatsoever other than as Lessee under this Lease, and Lessor and Lessee further agree to treat this Lease as a true Lease for all purposes and to take no actions inconsistent with the foregoing.

SECTION 27: Publication. The Lessor agrees that it will not directly or indirectly willfully cause or allow the existence of this Agreement or any of the terms hereof to be published in any newspaper, book, pamphlet or periodical or broadcast same on any radio or television station.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date first above written.

BENEFICIAL LEASING GROUP, INC.

By William V. House
Title: AVP

(SEAL)

ATTEST:

AMERICAN CYANAMID COMPANY

By J. J. Russell
Title: _____

(SEAL)

ATTEST:



E7-M
4/2/79

STATE OF NEW YORK

COUNTY OF NEW YORK

On this 12th day of April, 1979, before me personally appeared William B. Klose, to me personally known, who being by me duly sworn, says that he is an authorized officer of BENEFICIAL LEASING GROUP, INC., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

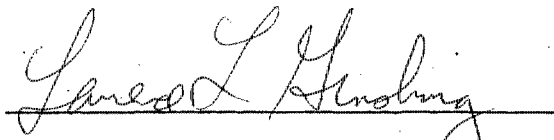


LAWRENCE L. GINSBURG
Notary Public, State of New York
No. 02614022370
Qualified in Westchester County
Commission Expires March 30, 1981

STATE OF NEW YORK

COUNTY OF NEW YORK

On this 12th day of April, 1979, before me personally appeared J.J. Russell, to me personally known, who being by me duly sworn, says that he is an authorized signatory of AMERICAN CYANAMID COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



LAWRENCE L. GINSBURG
Notary Public, State of New York
No. 02614022370
Qualified in Westchester County
Commission Expires March 30, 1981

Exhibit "A" To Lease Agreement Dated
April 12, 1979 Between Beneficial Leasing
Group, Inc. and American Cyanamid Company

Manufacturer of Equipment:	Trinity Industries, Inc.
Description and Mark and Number of Items and Equipment:	MBFX 4825 through 4924 both inclusive
Base Purchase Price of Each Unit:	\$45,383
Per Diem Interim Rental:	.024534 of the Base Purchase Price of each Unit
Periodic Rental Per Unit:	2.232063% of the Base Purchase Price of each Unit
Commencement Date:	Date of Delivery and Acceptance
Commencement of Periodic Rental Period:	September 1, 1979
Quantity of Items of Equipment:	100 cars

Exhibit "A1" To Lease Agreement Dated
April 12, 1979 Between Beneficial Leasing
Group, Inc. and American Cyanamid Company

Manufacturer of Equipment:	Pullman, Inc.
Description and Mark and Number of Items and Equipment:	MBFX 4750 through 4824 both inclusive
Base Purchase Price of Each Unit:	\$45,383
Per Diem Interim Rental:	.024534 of the Base Purchase Price of each Unit
Periodic Rental Per Unit:	2.232063% of the Base Purchase Price of each Unit
Commencement Date:	Date of Delivery and Acceptance
Commencement of Periodic Rental Period:	September 1, 1979
Quantity of Items of Equipment:	75 cars

TO: Beneficial Leasing Group, Inc.

Trinity Industries, Inc.

I, a duly appointed and authorized representative of the Lessor and of American Cyanamid Company (the "Lessee") under the Equipment Lease dated as of _____ between the Lessor and the Lessee, do hereby certify that I have inspected, received, approved and accepted delivery on behalf of the Lessor under the Purchase Order Assignment and under said Equipment Lease of the following Items of Equipment:

TYPE OF EQUIPMENT:

MANUFACTURER: Trinity Industries, Inc.

PLACE ACCEPTED:

DATE ACCEPTED:

NUMBER OF ITEMS:

MARKED AND NUMBERED:

I do further certify on behalf of the Lessee that the foregoing Items of Equipment are in good order and condition, and appear to conform to the specifications applicable thereto, that the Lessee has no knowledge of any defect in any of the foregoing Items of Equipment with respect to design, manufacture, condition or in any other respect, and that each Item has been labeled by means of a plate or a stencil printed in contrasting colors upon each side of the Item in letters not less than one inch in height as follows:

"Owned and Leased from Beneficial Leasing Group, Inc. and subject to a Security Interest of the Treasurer of the State of North Carolina as Custodian of various state trust funds, Raleigh, North Carolina recorded with I.C.C."

The execution of this Certificate will in no way relieve or decrease the responsibility of the manufacturer for any warranties it has made with respect to the Equipment.

Dated: April , 1979

Inspector and Authorized
Representative of the Lessee

Exhibit B

Loss Value Method 1

Loss Value is Paid in addition to the rent.

No.	Percentage Loss Values
1	103.830750
2	104.155950
3	104.406032
4	104.578287
5	104.690744
6	104.742033
7	104.754070
8	104.696991
9	104.585478
10	104.418281
11	104.212750
12	97.532391
13	97.210111
14	96.834454
15	96.420474
16	95.946822
17	95.423576
18	94.849589
19	94.237591
20	87.160966
21	86.447950
22	85.687204
23	84.889099
24	84.042376
25	83.152364
26	82.218053
27	81.247421
28	73.824175
29	72.771720
30	71.678870
31	70.551174
32	69.389099
33	68.199027
34	66.983820
35	65.742868
36	64.475541
37	63.181197
38	61.859177
39	60.508807
40	59.129397
41	57.720237
42	56.280603
43	54.809752
44	53.306923
45	51.771337
46	50.202195
47	48.605003
48	47.052671
49	45.489346
50	43.914711
51	42.320466
52	40.732240

DESCRIPTION OF OPINION OF SPECIAL COUNSEL
FOR THE LENDER

The opinion of Messrs. Kantor, Davidoff, Winston & Ferber, counsel for the Lender, which is called for by Section of the Loan and Security Agreement, shall be dated each delivery and Closing Date and addressed to the Lender, shall be satisfactory in form and substance to said parties and shall be to the effect that:

The Lease of Railroad Equipment, the Loan and Security Agreement and the Assignment of Lease and Rentals have been filed for record or recorded with the United States Interstate Commerce Commission wherein such filing or recordation is necessary to protect the rights, title and interest of the Lender in and to the Equipment.

Interstate Commerce Commission
Washington, D.C. 20423

6/12/79

OFFICE OF THE SECRETARY

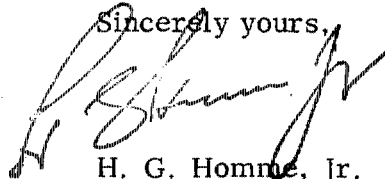
Kenneth T. Cascone
Kantor, Davidoff, Winston & Ferber, P.C.
200 Park Avenue
New York, N.Y. 10017

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C.

11303, on 6/11/79 at 10:30am, and assigned recordation number(s). 10463, 10463-A & 1063-B

Sincerely yours,



H. G. Homme, Jr.
Secretary

Enclosure(s)

SE-30
(3/79)